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Kvalifikuotas elektroninis parašas
VIRGINIJUS JAGELA
2025-02-26 15:39:23 GMT+2
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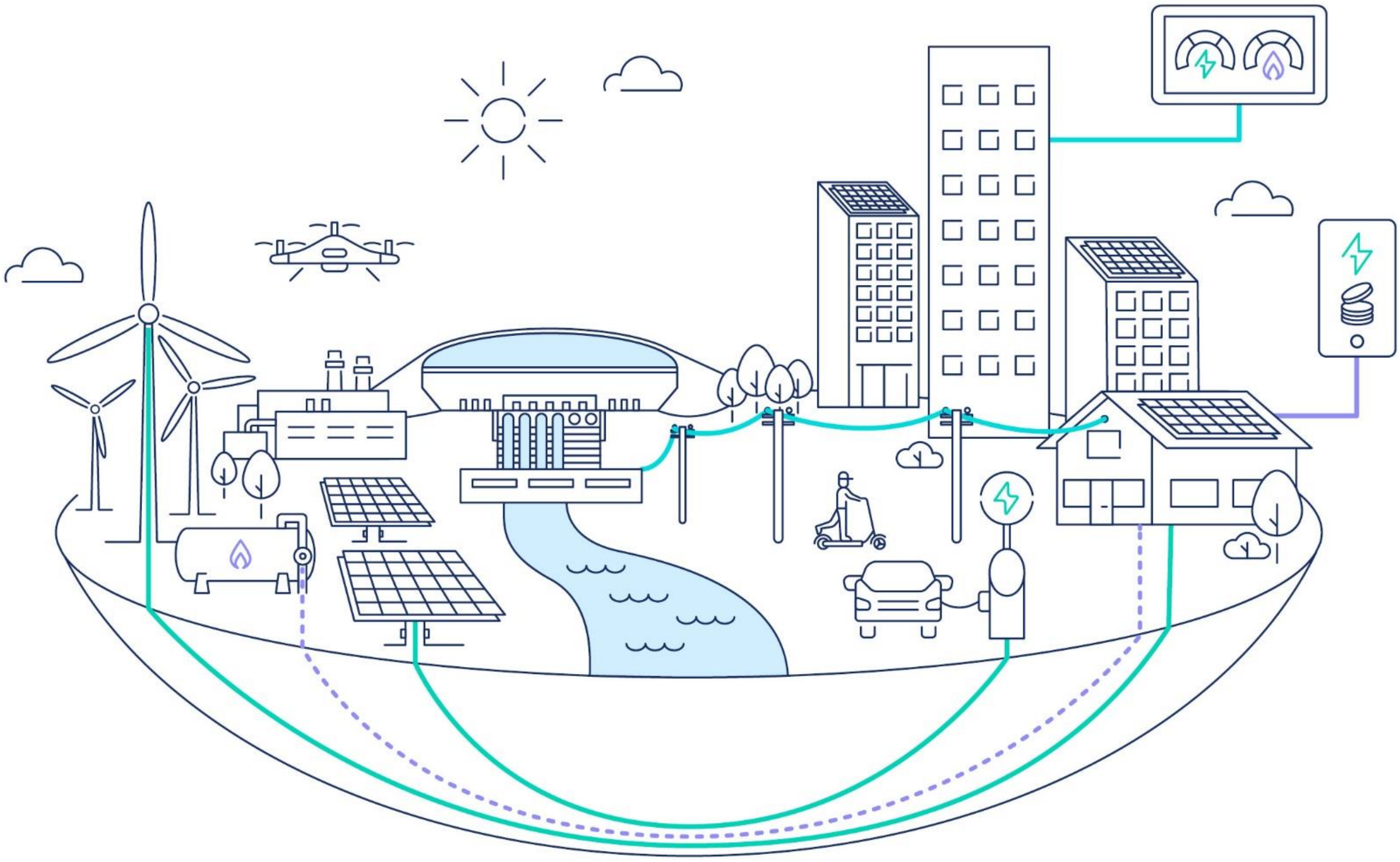
UAB VVP INVESTMENT

Annual report for 2024

Annual report for the year ended 31 December 2024 and the financial statements of the Company for the year ended 31 December 2024, prepared in accordance with IFRS Accounting Standards as adopted by the European Union, presented together with an Independent Auditor's Report for the year ended 31 December 2024



UAB VVP INVESTMENT
Laisvės pr. 10, LT-04215, Vilnius, Lithuania
windenergy@ignitis.lt
www.ignitisgrupe.lt
Company code: 302661590

Contents

1 Overview

1.1 Business Highlights

During the reporting period

January

- The Government of the Republic of Lithuania adopted a resolution to approve the description of the payment procedure for generation of electricity from renewable resources and support to local communities and the appointment of the administrator of the payment for generation of electricity from renewable resources. Under this resolution, the Environmental Project Management Agency under the Ministry of Environment of the Republic of Lithuania is appointed to be the administrator of the payment for generation of electricity from renewable resources (hereinafter, payment for generation) and is authorised to ensure the functions of calculation, collection, administration and payment of the payment for generation as well as to ensure the function of administration of support.

March

- The act of completion was obtained in respect of the construction of Mažeikiai farm.

April

A permit was received to generate electricity.

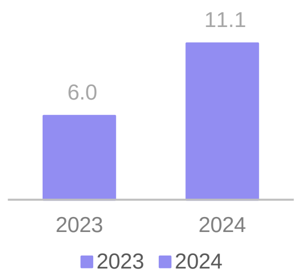
After the reporting period

There were no significant events after the reporting period until the issue date of these financial statements.

1.2 Performance Highlights

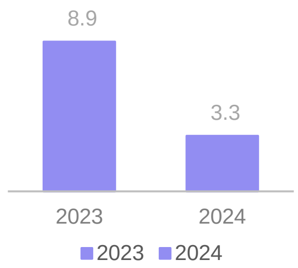
Financial

EBITDA APM
EUR million



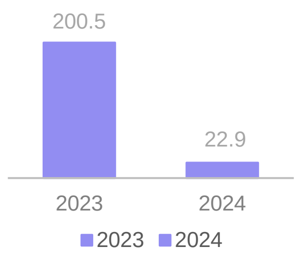
Description.
In 2024, EBITDA amounted to EUR 11,145 million, which is an increase 1.87 times. The increase in EBITDA was mainly affected by the revenue received from electricity generation. In 2024, the wind park was operating at full capacity and in 2023 - only from September. Revenue increased 1.9 times and reached EUR 15,281 million. Costs increased 2.3 times and reached EUR 6,904 million.

Net profit APM
EUR million



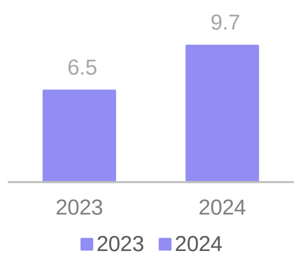
Description.
In 2024, the net profit was by EUR 5.6 million lower than in 2023 and amounted to EUR 3,325 million. Major impacts: revenue received increased by EUR 7.2 million, costs increased by EUR 3.9 million, change of EUR -1.9 million in the finance activity result, change in income tax = EUR 7 million.

ROE (LTM) APM
%



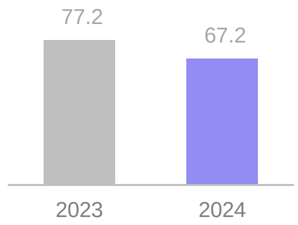
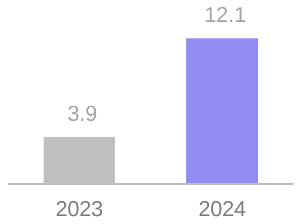
Description.
In 2024, ROE decreased to 22.9% (change of 177.6 pp) due to lower net profit by EUR 5.6 million and an increased equity by 11.3 million.

ROCE (LTM) APM
%



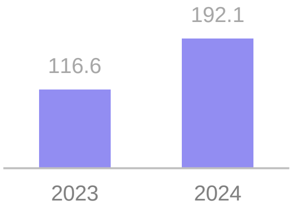
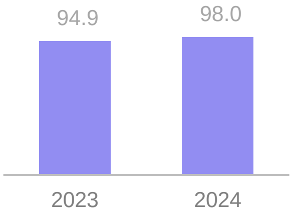
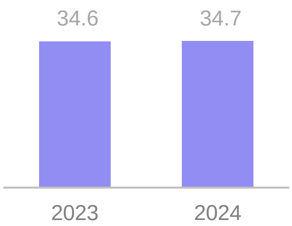
Description.
ROCE increased up to 9.7% (change of 3.2 pp). The main impact of the factors: decrease of net debt by EUR 10 million, increase of EBIT (LTM) by EUR 3.4 million, increase of equity by EUR 11.3 million.

APM *Alternative performance measures are the adjusted figures presented in this report used for the internal evaluation of performance management. These measures are not defined by International Financial Reporting Standards (IFRS) and do not meet IFRS requirements. Definitions of alternative performance measures are provided on the Group's website (link).*

Net debt APM % 	Description. In 2024, net debt decreased by 13% due to repaid loans.
FFO (LTM) / Net debt APM % 	Description. FFO/net debt ratio increased by 8.2 pp due to increased EBITDA and decreased net debt.

APM Alternative performance measures are the adjusted figures presented in this report used for the internal evaluation of performance management. *These measures are not defined by International Financial Reporting Standards (IFRS) and do not meet IFRS requirements. Definitions of alternative performance indicators are provided on the Group's website (link).*

Activities

Produced electricity GWh 	Description. 192.1 GWh of electricity were generated in 2024. This is 1.65 times more than in 2023.
Availability factor % 	Description. In 2024, the availability factor accounted for 98% and was higher by 3.1 pp than in 2023.
Load factor % 	Description. In 2024, the load factor was 34.7% due to the lower availability factor and an average wind speed, which was 6.8 m/s (2023 - 6.6 m/s).

2 Business Overview

2.1 Business model

Activity

The main activities of the Company are generation and sale of electricity from renewable energy sources (wind). Electricity is generated by 14 wind turbines with the capacity of 63 MW.

Key customers and operating model

The produced electricity is sold to the Group's subsidiary company UAB Ignitis, which trades on the Noord pool exchange. A PPA electricity sales contract was signed with UAB Ignitis. According to the contract, the agreed amount of electricity shall be sold. If the park produces less electricity than the amount committed under the PPA contract, the difference shall be bought on the stock exchange and sold at the agreed price to UAB Ignitis.

On 12 April 2024, a permit was obtained for generation of electricity from renewable energy resources.

The Company strives to cooperate with communities and support them. Eight support agreements were concluded in 2024.

EUR 26,395.22 were allocated to the association 'Kuriame kartu'. The support was granted for 'Improvement of the public space and preservation of history for the future' in Pikeliai.

EUR 37,050.20 were granted to VšĮ 'Via Alba'. The support was dedicated for the Educational-Creative Centre 'Baltas kelias' in Mažeikiai.

EUR 20,238.92 were granted to the Schoolchildren House in Mažeikiai. The support was allocated for 'Improvement of the infrastructure of the Schoolchildren House in Mažeikiai'.

An amount of EUR 11,761 was granted to the community of Lūšė. The support was granted for the project 'Į šviesesnį rytojų' in the village of Ritinė.

EUR 65,533.30 were allocated to the parish of Šv. Jono Krikštytojo in Vydmantai. The support was granted for 'The facade and doors of the Vydmantai church under construction'.

EUR 18,332.21 were allocated to the community of the Vaiguva village. The support was issued to 'Strengthen the material base of the community' in the Vaiguva village.

EUR 43,927.40 were allocated for 'the Cultural Centre named after Motiejus Kazimieras Sarbievijaus' in Kražiai. The support was dedicated for 'Renovation of lighting in the area of the cultural centre'.

An amount of EUR 39,547.21 was granted to the community of Kražiai to improve the infrastructure of the community centre's environment.

2.2 Strategy

The overarching ambition and integrated strategy

UAB VVP INVESTMENT is an important part of Ignitis Group's integrated business model and strategy. The Ignitis Group is an integrated energy services company prioritising renewable energy, and the largest energy group in the Baltics.

Our main aspiration is to create a 100 % green and safe energy ecosystem for present and future generations. We strengthen our contribution to decarbonising Europe and ensuring energy security in the region, accelerating the transition to green energy in the Baltics and building an exceptionally green energy system.

We are

1. **Green** (increasing the capacities of green production and green flexibility)
2. **Flexible** (creating a flexible system that could ensure operation with 100% green energy in the short, medium and long term)
3. **Integrated** (using an integrated business model to enable the development of Green Capacities)
4. **Sustainable** (maximising sustainable value)

investing with a purpose of deploying 4- 5 GW of operational Green Capacities by 2030 and of reaching net-zero GHG emissions by 2040-2050, with a focus on green production and green flexibility technologies: offshore and onshore wind power plants, batteries, hydroelectric power station, power-to-x.

Integrated business model

Green Capacities

Strategic priority

Achieve 4-5 GW of operational green production and green flexibility capacities by 2030.

Networks

Strategic priority

Develop a resilient and efficient network that enables electrification

Solutions for customers

Strategic priority

Using and further expanding our customer portfolio to enable Developing green capacity

Reserve capacities

Strategic priority

Contribute to the security of the energy system

UAB VVP INVESTMENT is a part of Ignitis Group and is included into the segment of green generation.

Sustainability and ESG priorities

As part of our strategy, we focus on reducing the intensity of greenhouse gas emissions in Scopes 1 and 2, promoting safety at workplace with a focus on TRIR and zero fatalities, caring for the employee experience through well-being, education and growth, fair remuneration, diversity and inclusion initiatives, promoting diversity at the top, and creating sustainable value through sustainable investments and returns.

Our values

We are a team of diverse, energetically savvy people united by a common aspiration.

RESPONSIBILITY GROWTH PARTNERSHIPS OPENNESS

Strategic priorities, objectives and key performance indicators

The strategic objective to ensure a high level of technical accessibility of the park is set for Mažeikiai wind park in operation. The planned indicator of technical availability must be ensured at >98%.

3 Governance Report

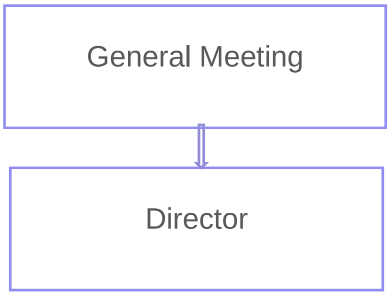
3.1 Governance Model

Company's management model

The governing bodies of the Company are the general meeting of shareholders (hereinafter – the General Meeting) and the head of the Company – the Director of the Company (hereinafter – the Director)

The management structure of the Company consists of the Director, who is the sole management body of the Company and represents the Company in all matters and, together with the sole shareholder, is responsible for the management of the Company. The head of the Company manages the daily activities of the Company and solely represents the Company.

The sole shareholder is **UAB Ignitis renewables**, legal entity code 304988904, registered office address Laisvės pr. 10, Vilnius, Republic of Lithuania, represented by Thierry Aelens, General Director of UAB Ignitis renewables.



Shareholders, their rights and functions

The Company UAB VVP INVESTMENT belongs to a group of energy companies, which consists of legal entities directly and indirectly controlled by the ultimate shareholder – the parent company of the Group of Companies. The Group's parent company is responsible for the transparent management and coordination of the Group's activities, for efficiency in delivering competitive services to customers, and for the socially responsible increase of long-term value to shareholders.

The group of companies is not a legal entity. The Company is not responsible for the obligations of the Group of Companies, and the Group of Companies is not responsible for the obligations of the Company. In compliance with the requirements of the legislation, the parent company of the Company has the right to approve the Company's operational guidelines, rules and policies of the Company's areas of operation, the annual financial plan, the annual rate of return on assets and the maximum amount of debt obligations, as well as to determine other parameters of the Company's operation, which the Company must not comply with.

100% of the Company's shares belong to the parent company UAB Ignitis renewables, which is a part of the state-owned group of energy companies Ignitis Group.

The Company acquires rights, assumes obligations and exercises them through its management bodies. Management bodies of the Company is the General Meetings of the Shareholders and the head of the Company - the Director of the Company.

The General Meeting is the highest body of the Company. The competence of the general meeting, the procedure for convening it and making decisions are determined by laws, other legal acts and the Company's Articles of Association. According to the Company's Articles of Association, the competence of the General Meeting is to:

- Change the registered office of the Company; elect and remove directors;
- Select and cancel the audit company, determine the terms of payment for the audit;
- Determine the class of shares issued by the Company,
- The nominal value of the numbers and the minimum issue price;

- Make a decision to convert the Company's one-class shares,
- Approve the description of the share conversion procedure;
- Approve the set of annual financial statements and approve the annual report;
- Make a decision on profit (loss) distribution; make a decision on the determination of the share of profit allocated to the support by the Company and the distribution of the amount of unused support;
- Make a decision on the establishment, use, reduction and destruction of reserves;
- Approve a set of interim financial statements compiled in order to make a decision on the allocation of dividends for a period shorter than the financial year;
- Make a decision on the allocation of dividends for a period shorter than the financial year;
- Make a decision to issue bonds or convertible bonds;
- Make a decision to cancel all shareholders' pre-emptive right to purchase the Company's shares, bonds or convertible bonds of a specific issue;
- Make a decision to increase the authorized capital;
- Make a decision to reduce the authorized capital, except for the exceptions provided by law;
- Make a decision for the Company to purchase its own shares;
- Make a decision on the reorganization or separation of the Company and to approve the conditions of the reorganization or separation, except for the exceptions established by law;
- Make a decision to reorganize the Company;
- Make a decision to restructure the Company, except for the exceptions provided for by law; make a decision to liquidate the Company,
- Cancel the liquidation of the Company, except for the exceptions provided by law; appoint and recall the liquidator of the Company, except for the cases provided for by law;
- Make decisions regarding the conclusion of any transactions of the Company, the value of which is equal to or exceeding EUR 50,000.00 (fifty thousand Euros), except in cases where the transaction is concluded with the sole shareholder of the Company;
- Make decisions regarding the provision of support or charity by the Company in accordance with the procedure approved by the General Meeting

Make decisions regarding approval or disapproval of the following decisions of the Director:

- Regarding the Company becoming a founder, participant of other companies;
- Regarding approval or disapproval of the Company's annual or interim report;
- Regarding the approval of the annual budget of the Company's activities, the purchase or sale of the business of the Company (or its part), regardless of its value;
- Regarding the transfer of any stocks (parts, shares) held by the Company or the rights granted by them to other persons or restriction;
- Regarding the establishment of the Company's branches and representative offices; regarding the approval of candidatures of supervisory and management bodies of the Company's branches and representative offices of companies in which the Company is a shareholder;
- Regarding the operational guidelines and rules of subsidiaries, annual financial plans, annual rate of return on assets, maximum amounts of debt obligations, as well as other operational parameters of the Company's subsidiaries and issues of management, in compliance with the requirements set out in legal acts.

The General Meeting can make decisions and is considered to have taken place if it is attended by shareholders whose shares give more than ½ (one second) of the total number of votes.

The decision of the General Meeting is considered adopted when more shareholders' votes are received for it than against it, except in cases where legal acts or the Company's Articles of Association establish a qualified majority of votes for adopting decisions.

Activity during the reporting period

Key decisions adopted in 2024:

- On 17 June, a decision was adopted to increase the Company's authorised capital from EUR 250,214 (two hundred and fifty thousand two hundred and fourteen euros) to EUR 253,110 (two hundred and fifty-three thousand one hundred and ten euros).
- On 29 July, a decision was adopted to approve the conclusion of the Commercial Asset Management Agreement (TCMA) for the Mažeikiai Wind Farm between UAB Ignitis Renewables and UAB VVP Investment and to approve the material terms of the agreement.
- On 19 May, a decision was adopted to approve the conclusion of electricity purchase contract between UAB VVP INVESTMENT and UAB Ignitis and approval its essential conditions.
-

Chief Executive Officer

- **Overview**
- The Director is the sole management body of the Company. The Director organizes the Company's activities, manages it, acts on behalf of the Company and concludes transactions on its own, except for the exceptions provided by the Articles of Association and legal acts. The Director's competence, election and recall procedure are determined by laws, other legal acts and the Company's Articles of Association.
- **Profile**

	Description	Experience	Education	Other currently held positions
	**Virginijus Jagela** Chief Executive Officer from 01/12/2023 Director	V. Jagela joined Ignitis Group in 2018. Before this, V.Jagela held the position of the senior engineer at VĮ Lietuvos oro uostai and engineer at UAB Fima.	Energy technology and economics. Kaunas University of Technology. Master Degree.	Head of Operation and Maintenance (land farms) of UAB Ignitis renewables (304988904). Director of UAB VĖJO GŪSIS (300149876); Director of UAB VĖJO VATAS (110860444). Director of UAB EURAKRAS (300576942)

3.2 People and Remuneration

The remuneration for the company’s CEO is determined in accordance with the Remuneration Policy and the internal legal acts implementing it. More information about the remuneration can be found in the Remuneration Policy.

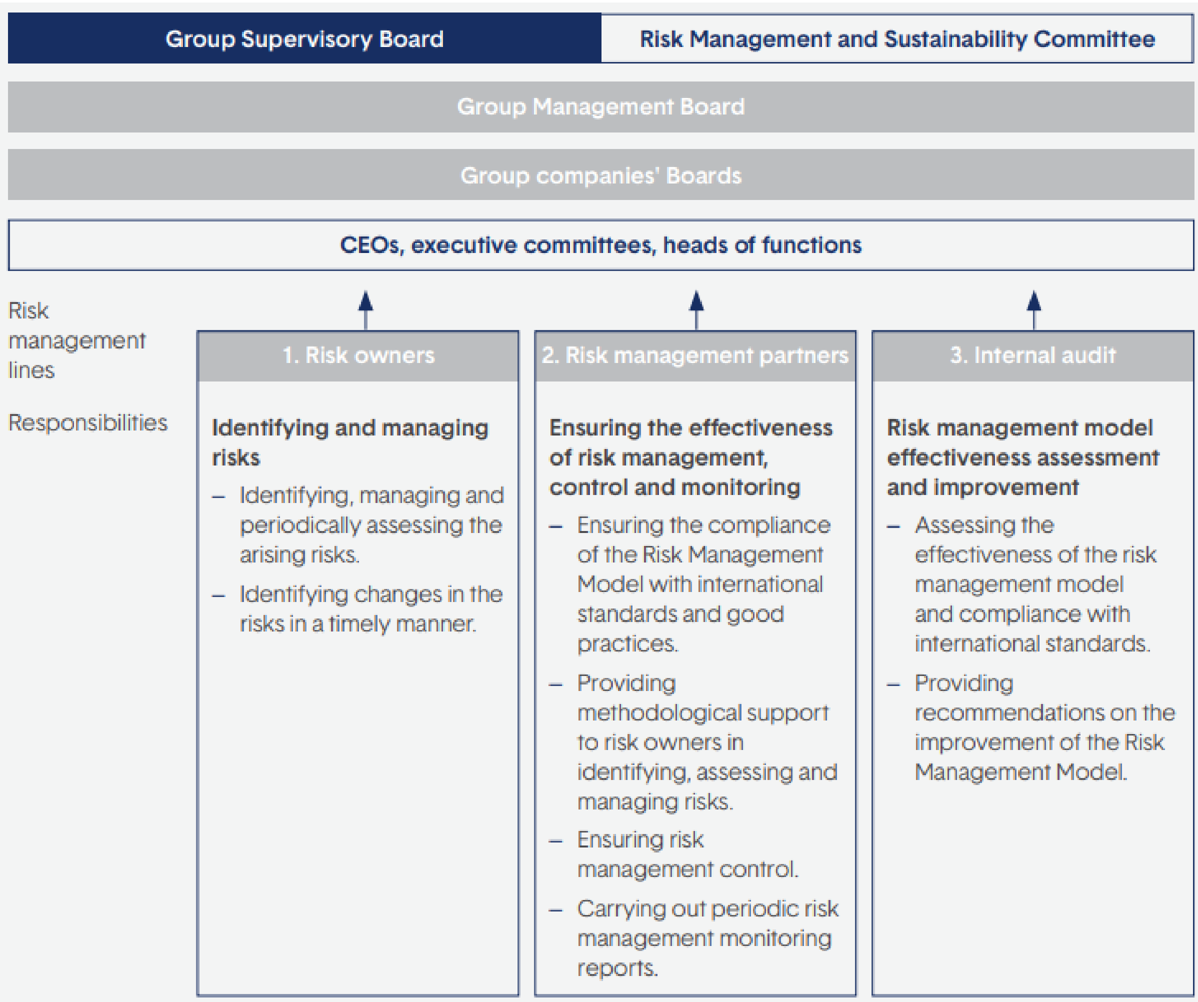
3.3 Risks and Risk Management

Risk management framework

Overview

In connection with the business activities, the Company is exposed to both internal and external risks that might affect its performance. In order to reduce the risks to an acceptable level, the Company applies uniform risk management principles based on the best market practices, including the main principles of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and AS/NZS ISO 31000:2018 (Risk management – Principles and guidelines). A clear segregation of risk management and control duties is controlled by applying the 'Three-lines enterprise risk management framework' in Ignitis Group (see figure below), where the duties are distributed between management and supervisory bodies, structural units, and functions. In order to ensure effective risk management control, we monitor risks, risk management measures, key risk indicators and prepare internal reports to the management (both at UAB Ignitis renewables level and at Ignitis Group level) on a quarterly basis. This section provides summarised information on the risk management model and the main parts of the risk management process in Ignitis Group. For more detailed information on risk management process and review of the main risks of Ignitis renewables Group in 2024 and the plan for risk management in 2025, see the activity report of UAB Ignitis renewables for 2024.

Three-lines risk management framework applied in Ignitis Group



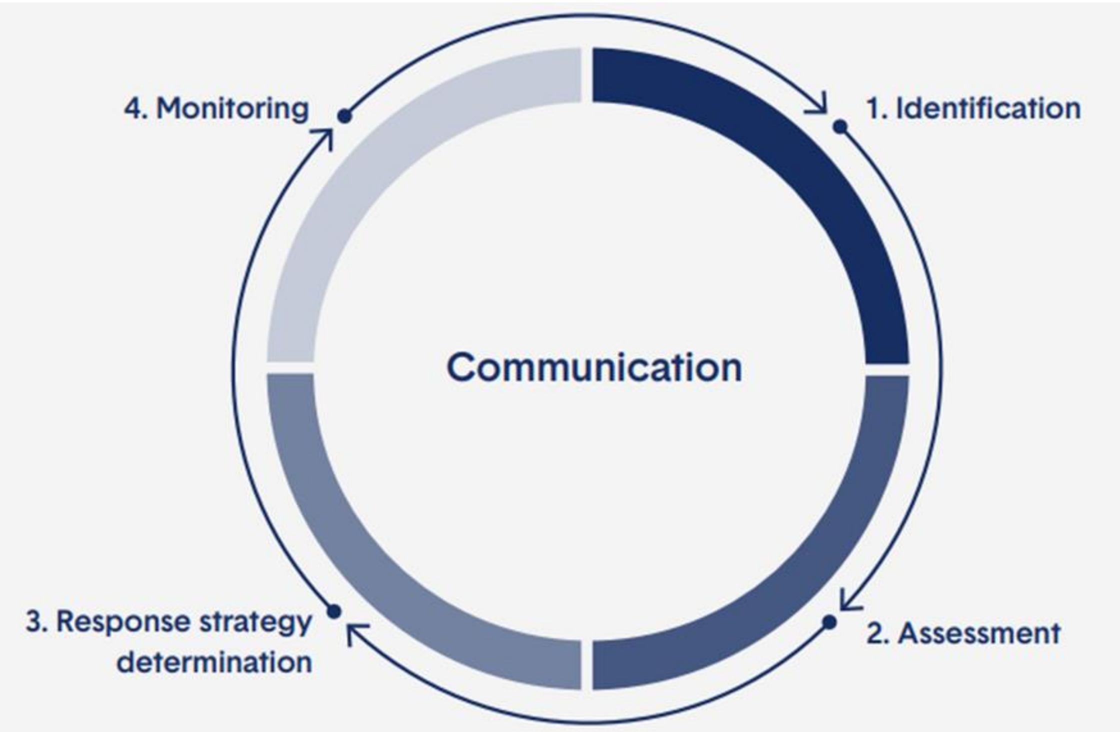
Risk management objectives:

- To ensure that the Group's values of responsibility, partnership, openness and excellence are at the heart of decision-making to achieve the objectives;
- eliminate or minimise the impact of risks on objectives for different periods;
- protect the interests of customers, stakeholders and the public;
- ensure that accurate and timely information reaches decision-makers, shareholders and other stakeholders;
- protect the Group's reputation and ensure its credibility;
- to ensure the stability and sustainability of the Group's activities.

Risk management process and key principles

In order to achieve strategic goals and respond to a dynamic environment of operation, the Group pays special attention to proactive risk management. Therefore, the Group reviews, on quarterly basis, risk levels, plans new risk management measures as needed, refines key risk indicators, identifies new sources of risk or new risks. The ability to proactively react to changing risks is extremely important and ensures that our management would receive the most relevant information and make necessary decisions in a timely manner. Environmental, social and governance (ESG) risks and opportunities are also an integral part of the Group's day-to-day business and are fully integrated into the applicable risk management process. Our risk management process comprises four parts: risk identification, assessment, establishing management strategy and monitoring.

Risk management process



More information on the risk management process and key risks of Ignitis renewables Group is available in UAB Ignitis renewables annual report 2024.

4 Sustainability

4.1 Overview of Sustainability

UAB VVP INVESTMENT is a subsidiary and its information on sustainability is included in the consolidated management report of the parent company AB Ignitis Group. Therefore, in accordance with Article 23(1)(1)(1) of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, it qualifies with the condition allowing not to present the information on sustainability issues as specified in the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

The consolidated management report of AB Ignitis Group includes the information on sustainability of AB Ignitis Group and its subsidiaries ("the Group"), which is integrated in the annual Sustainability Report for 2024. This includes an overview of commitments and actions in the areas such as environmental performance, social responsibility and governance practices. The Sustainability Report is available on www.ignitisgrupe.lt under sections 'For Investors' and 'Sustainability'.

5 Financial Statements

5.1 Company’s Financial Statements

Prepared for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union

The Company’s financial statements were prepared and signed by the management of UAB VVP Investment on 26 February 2024:

Virginijus Jagela	**Indrė Budrevičienė**
Director	UAB Ignitis grupės paslaugų centras, Accounting expert, acting under Order No 24_GSC_SP_0051 of 30 September 2024.

Statement of Profit or Loss and other Comprehensive income

For the year ended 31 December 2024

EUR thousand	Notes	2024	2023
Revenue from contracts with customers	5	15,272	8,044
Other income		9	4
Total revenue and other income		**15,281**	**8,048**
Purchases of electricity, natural gas and other services		(1,816)	(835)
Depreciation and amortisation	9, 10	(2,768)	(943)
Repair and technical supervision expenses		(696)	(477)
Other expenses	6	(1,624)	(775)
Total expenses		**(6,904)**	**(3,030)**
Operating profit (loss)		**8,377**	**5,018**
Finance income	7	246	10
Finance expenses	7	(3,095)	(925)
Finance activity, net		**(2,849)**	**(915)**
Profit (loss) before tax		**5,528**	**4,103**
Income tax expense (income)	8	(2,203)	4,777
Net profit (loss) for the year		**3,325**	**8,880**
Total comprehensive income (expenses) for the year		**3,325**	**8,880**

Statement of Financial Position

31 December 2024

EUR thousand	Notes	31 December 2024	31 December 2023
Assets			
Property, plant and equipment	9	76,662	79,338
Right-of-use assets	10	3,983	3,158
Non-current receivables	11	5,066	340
Deferred tax assets	8	2,408	4,611
Non-current assets		**88,119**	**87,447**
Prepayments and deferred expenses		341	1,012
Trade receivables	12	2,019	863
Other receivables	11	980	2,879
Cash and cash equivalents	13	54	1,710
Current assets		**3,394**	**6,464**
TOTAL ASSETS		**91,513**	**93,911**
EQUITY AND LIABILITIES			
Authorised capital	14	253	250
Share premium		7,997	-
Reserves		444	-
Retained earnings		11,500	8,620
Equity		**20,194**	**8,870**
Non-current loans	15	57,534	76,900
Non-current lease liabilities	15	1,720	1,741
Provisions	17	2,583	1,583
Other non-current liabilities		-	340
Non-current liabilities		**61,837**	**80,564**
Loans	15	7,898	254
Lease liabilities	15	56	56
Trade payables		263	215
Other current liabilities	18	1,265	3,952
Current liabilities		**9,482**	**4,477**
Total liabilities		**71,319**	**85,041**
TOTAL EQUITY AND LIABILITIES		**91,513**	**93,911**

Statement of Changes in Equity

For the year ended 31 December 2024

EUR thousand	Authorised capital	Share premium	Legal reserve	Retained earnings	Total
Balance as at 1 January 2023	**250**	**-**	**-**	**(260)**	**(10)**
Net profit for the year	-	-	-	8,880	**8,880**
Balance as at 31 December 2023	**250**	**-**	**-**	**8,620**	**8,870**
Balance as at 1 January 2024	**250**	**-**	**-**	**8,620**	**8,870**
Net profit for the year	-	-	-	3,325	**3,325**
Transferred to reserve	-	-	444	(444)	-
Increase in authorised capital	3	7,997	-	-	**8,000**
Other changes	-	-	-	(1)	**(1)**
Balance as at 31 December 2024	**253**	**7,997**	**444**	**11,500**	**20,194**

Statement of Cash Flows

For the year ended 31 December 2024

EUR thousand	Notes	2024	2023
Net profit for the year		3,325	8,880
Adjustments:			
Depreciation and amortisation expenses	9, 10	2,768	943
Income tax expense (income)	8	2,203	(4,777)
Increase/(decrease) in provisions		83	40
Interest income	7	(246)	(10)
Interest expenses	7	3,009	885
Other finance expenses (income)	7	86	40
Changes in working capital:			
(Increase)/decrease in trade and other non-current receivables		(3,983)	(3,077)
(Increase)/decrease in inventories, prepayments and deferred expenses, other current and non-current assets		671	(1,005)
(Increase)/decrease in trade payables, deferred income, prepayments received, other non-current and current liabilities		(1,473)	1,236
Income tax (paid)/recovered		-	148
Net cash flows from operating activities		**6,443**	**3,303**
Acquisitions of property, plant and equipment		(2,533)	(9,249)
Interest received		246	10
Net cash flows from investing activities		**(2,287)**	**(9,239)**
Received loans	15	67,680	10,000
Repaid loans	15	(70,140)	-
Lease payment	15	(21)	(22)
Interest paid	15	(3,331)	(2,971)
Net cash flows from financing activities		**(5,812)**	**7,007**
Increase (decrease) in cash and cash equivalents		**(1,656)**	**1,071**
Cash and cash equivalents at the beginning of the year	13	1,710	639
Cash and cash equivalents at the end of the year		**54**	**1,710**

Explanatory Notes

1 General information

UAB VVP Investment (hereinafter – the Company) is a private limited company registered in the Republic of Lithuania. On 30 August 2011, the Company was registered in the Register of Legal Entities, which is managed by the public institution the State Enterprise Centre of Registers. The registered address of the Company is: Laisvės pr. 10, LT-04215, Vilnius, Lithuania. Company code is 302661590, VAT payer code is LT100007781113. The Company has been founded for an indefinite period. The reporting period includes one year ended on 31 December 2024.

The main activity of the Company is generation and sale of electricity.

Shareholder of the Company:

	As at 31 December 2024		As at 31 December 2023	
	Number of shares held	%	Number of shares held	%
UAB Ignitis renewables	8,740	100	8,640	100
Total	**8,740**	**100**	**8,640**	**100**

The Company's parent company is UAB Ignitis renewables (company code 301844044, Laisvės pr. 10, LT-04215 Vilnius), which owns 100% of the Company's shares as of 31 December 2024 and 2023. As of 31 December 2024 and 2023, all shares of UAB Ignitis renewables belong to AB Ignitis Group (company code 301844044, Laisvės pr. 10, LT-04215 Vilnius). As of 31 December 2024, the shareholders structure of AB Ignitis Group consisted of the Ministry of Finance of the Republic of Lithuania (74.99 per cent owned), retail and institutional investors (25.01 per cent owned).

AB Ignitis Group is an ultimate parent company. The Group consists of AB Ignitis Group and all its subsidiaries (hereinafter – the Group).

These financial statements were signed by the management of UAB VVP Investment on 26 February 2025. The Company's shareholder has the right to approve or disapprove these financial statements and demand the preparation of new financial statements.

2 Basis of preparation

2.1 Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter – IFRS), approved by the International Accounting Standards Board (hereinafter – IASB) and endorsed for application in the European Union.

The Company's financial statements for the year ended on 31 December 2024 (hereinafter – the financial statements) have been prepared based on a going concern basis and are measured at historical acquisition cost.

The Company's financial statements provide comparative information of the previous period.

Detailed information about the Company's accounting policy, including changes, is presented in the financial statements under the Note 5.2 'Additional information'.

2.2 Functional and presentation currency

These financial statements are presented in euro, which is the Company's functional currency, and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated.

3 Changes in material accounting policies

3.1 Changes in accounting policies and disclosures

The accounting policy applied in the preparation of these financial statements is consistent with the accounting policies that were followed in the preparation of the parent company's annual financial statements for the year ended 31 December 2023, except for the new standards that came into force in 2024. The Company does not apply any standard, interpretation or amendment, for which early application is permitted but which is not yet effective.

More information about the new standards is presented in the financial statements under the section 'Material accounting policies'.

4 Critical accounting estimates and judgments used in the preparation of financial statements

In preparing the financial statements, management has made certain assumptions and estimates about the future, including the climate-related risks and possibilities, which have affected the reported amounts of assets, liabilities, income and expenses and the disclosure of contingencies. Changes in assumptions and judgements in the future could have a material impact on these financial statements.

Assessments and judgements with underlying assumptions are kept under constant review and are consistent with the Company's risk management and climate-related commitments. Assessments and judgements are recognised prospectively.

This note describes only the critical accounting estimates and judgements used in the preparation of the financial statements. Other accounting estimates and judgments used are presented in other notes to these financial statements.

4.1 Determination of whether the servitudes established by the transaction are leases

After analysing whether the requirements of IFRS 16 'Lease' are applicable to servitudes established by the transaction, the Company concluded that they are not, because the servitudes established by law and the transaction are not subject to time limits and the Company can use them for an unlimited period. An open-ended transaction does not have the essential characteristics of a lease, i.e. does not meet the definition of a lease because it does not give the right to use the leased property for the specified period of time.

For servitudes that have a definite term or whose term is regularly renewed, IFRS 16 applies if all the other criteria set out in IFRS 16 are met.

4.2 Determining the value of the provision for dismantling wind power plants

The provision for dismantling and decommissioning of wind power plants relates to the obligation under the land lease agreements to dismantle the wind power plants at the end of their useful lives. The useful life of the wing power plants is 30 years.

The provision for dismantling is calculated based on the following key assumptions:

(i) the provisioning period corresponds to the useful life of the wind power plants, i.e. 30 years,
(ii) the expected decommissioning costs are discounted using a discount rate,
(iii) the expected decommissioning costs are adjusted for inflation.

As at 31 December 2024, the Company has assessed a provision for dismantling (Note 17):

- using annual discount rate of 4.12% for the period until the end of the useful life of the wind power plants;
- using an inflation index:

Useful life of an asset	Annual inflation rate applied for calculation of provisions
	31 December 2024
2024	0.90%
2025	2.50%
2026	2.70%
2027	2.60%
>2028	2.00%

5 Revenue from contracts with customers

5.1 Revenue from contracts with customers by type

EUR thousand	2024	2023
Revenue from sale of electricity	15,272	8,044
Total	**15,272**	**8,044**

5.2 Rights to returned goods and payable liabilities

The Company does not have any significant contracts with the customers' right to return purchased electricity.

6 Other expenses

EUR thousand	2024	2023
Finance and accounting	447	534
Asset management and administration	395	38
Tax (other than income tax) expenses	305	21
Legal services	75	1
Support	263	-
Other	139	181
Total	**1,624**	**775**

7 Finance activity

EUR thousand	2024	2023
Interest income recognised applying the effective interest rate	246	10
Total finance income	**246**	**10**
Interest expenses	2 963	867
Interest and discount expense on lease liabilities	46	18
Other finance expenses	86	40
Total finance expenses	**3,095**	**925**
Total finance activity	**(2,849)**	**(915)**

7.1 The Company's interest income

The Company's interest income as at 31 December 2024 consists of interest earned on cash balances in bank accounts. Interest inflows in cash are presented in the statement of cash flows under the item *Interest received*.

8 Income taxes

8.1 Recognised in profit or loss

EUR thousand	2024	2023
Deferred income tax expenses (income)	2,203	(4,629)
Consideration for tax losses transferred	-	(148)
Total	**2,203**	**(4,777)**

8.2 Reconciliation of effective tax rate

Income tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profit of the Company:

EUR thousand	2024	2024	2023	2023
Profit (loss) before tax		5,528		4,103
Income tax expenses (income) at tax rate of 15%	15%	829	15.00%	615
Non-taxable income and expenses not deductible for tax purposes	(0.02%)	(1)	(8.90%)	(365)
Incentive on investment project	27.48%	1,519	(123.45%)	(5,065)
Tax losses transferred	-	-	0.78%	32
Change in the income tax rate	(2.73%)	(151)	-	-
Other	0.13%	7	0.15%	6
Income tax expense (income)	**39.85%**	**2,203**	**(116.43%)**	**(4.777)**

The profit tax is calculated on the profit before taxes. The standard corporate income tax rate applicable to companies of the Republic of Lithuania in 2024 and 2023 was 15%. (from 2025 – 16%).

8.3 Deferred tax

EUR thousand	31 December 2022	Recognized in profit (loss)	31 December 2023	Recognized in profit (loss)	31 December 2024
Deferred tax assets					
Incentive on investment project	-	4,848	4,848	(1,711)	3,137
Lease liabilities (IFRS 16)	256	13	269	15	284
Accrued expenses	1	21	22	(19)	3
Tax losses carried forward	188	(187)	1	(1)	
Provision for dismantling	-	237	237	176	413
Total deferred tax assets	**445**	**4,932**	**5,377**	**(1,540)**	**3,837**
Deferred tax liability					
Differences of financial and tax value	-	(4)	226	436	662
Right-of-use assets (IFRS 16)	233	14	247	10	257
Provision for dismantling	-	227	227	153	380
Capitalised interest	230	-	-	-	-
Other	-	66	66	64	130
Total deferred tax liability	**463**	**303**	**766**	**663**	**1,429**
Net deferred tax	**(18)**	**4,629**	**4,611**	**(2,203)**	**2,408**

On 23 May 2023, the Company signed a tripartite agreement, under which it transferred to a Group company tax losses of EUR 1,208 thousand, for which it received EUR 149 thousand.

As at 31 December 2024, the value of the deferred tax pledged by the Company was EUR 2,408 thousand. As at 31 December 2023, the Company did not have any pledged deferred tax.

As at 31 December 2024, the Company did not recognise the deferred tax asset at an amount of EUR 8,917 thousand (as at 31 December 2023 - at an amount of EUR 6,623 thousand) related to the investment project incentive because it is not clear whether there will be any taxable profits in the future that can be utilised.

9 Property, plant and equipment

9.1 Company's property, plant and equipment

EUR thousand	Wind power plants and their installations	Other property, plant and equipment	Construction in progress	Total
Acquisition or restated value as at 1 January 2024	**80,213**	**10**	**-**	**80,223**
Acquisitions	-	-	-	**-**
Acquisition or restated value as at 31 December 2024	**80,213**	**10**	**-**	**80,223**
Accumulated depreciation and impairment as at 1 January 2024	**(884)**	**(1)**	**-**	**(885)**
Depreciation	(2,674)	(2)	-	**(2,676)**
Accumulated depreciation and impairment as at 31 December 2024	**(3,558)**	**(3)**	**-**	**(3,561)**
Carrying amount as at 31 December 2024	**76,655**	**7**	**-**	**76,662**
Acquisition or restated value as at 1 January 2023	**-**	**-**	**9,281**	**9,281**
Acquisitions	-	-	70,942	**70,942**
Reclassification (to) from construction in progress	80,213	10	(80,223)	**-**
Acquisition or restated value as at 31 December 2023	**80,213**	**10**	**-**	**80,223**
Accumulated depreciation and impairment as at 1 January 2023	**-**	**-**	**-**	**-**
Depreciation	(884)	(1)		**(885)**
Accumulated depreciation and impairment as at 31 December 2023	**(884)**	**(1)**	**-**	**(885)**
Carrying amount as at 31 December 2023	**79,329**	**9**	**-**	**79,338**

As at 31 December 2023 and 2024, the Company did not have any fully depreciated property, plant and equipment in use.

9.2 Acquisitions of property, plant and equipment

The Company has no liabilities for the acquisition of property, plant and equipment at 31 December 2024 and 2023.

The Company did not capitalise interest on the loan in 2024. In 2023, the Company capitalised EUR 1,664 thousand of interest on loans and right-of-use assets. The average capitalised interest rate was 2.89% in 2023.

9.3 Pledged property, plant and equipment

As at 31 December 2024, the value of the Company's pledged property, plant and equipment amounted to EUR 70,003 thousand. As at 31 December 2023, the Company had no pledged property, plant and equipment.

10 Right-of-use assets

10.1.The Company's right-of-use assets

EUR thousand	Land	Total
1 January 2024		
Acquisition cost	3,339	**3,339**
Accumulated depreciation	(181)	**(181)**
Carrying amount	**3,158**	**3,158**
Carrying amount as at 1 January 2024		
Acquisitions	-	**-**
Depreciation	(92)	**(92)**
Remeasurement of the right-of-use assets	917	**917**
Carrying amount as at 31 December 2024	**3,983**	**3,983**
31 December 2024		
Acquisition cost	4,256	**4,256**
Accumulated depreciation	(273)	**(273)**
Carrying amount	**3,983**	**3,983**
Carrying amount as at 1 January 2023	**1,553**	**1,553**
Acquisitions	1,584	**1,584**
Depreciation	(58)	**(58)**
Remeasurement of the right-of-use assets	79	**79**
Carrying amount as at 31 December 2023	**3,158**	**3,158**
As at 31 December 2023		
Acquisition cost	3,339	**3,339**
Accumulated depreciation	(181)	**(181)**
Carrying amount	**3,158**	**3,158**

**The provision for the obligation to dismantle, which was measured under the land leases, was reclassified from Other intangible assets to Land.*

As at 31 December 2024 and 2023, the interest rates for on the lease of land were 2.43 – 4.18%. The land lease contracts valid as at 31 December 2024 expire during the period 2047 – 2112. The balances of obligations under the land lease contracts are presented in Note 15. The land is leased from private and legal persons, and a wind farm is built on the leased land. The movement in the dismantling provision is presented in note 17.

As at 31 December 2024, the value of the Company pledged right-of use assets amounted to EUR 1,641 thousand. As at 31 December 2023, the Company had no pledged right-of use assets.

10.2 Costs and expenses related to lease contracts

EUR thousand	2024	2023
Depreciation	92	58
Interest expenses	46	18
Capitalised interest	-	28
Other lease expenses	-	5
Lease expenses, total	**138**	**109**

11 Non-current and current receivables

EUR thousand	31 December 2024	31 December 2023
Cash reserved for guarantees	5,066	340
Total non-current part:	**5,066**	**340**
Cash reserved for guarantees	980	-
Other receivables	-	2,879
Total current part:	**980**	**2,879**
Less: loss allowance	-	-
Carrying amount	**6,046**	**3,219**

The non-current part of the financial assets as at 31 December 2024 consists of EUR 5,066 thousand of cash reserved for guarantees, which will be held in reserve until 31 March 2036. As at 31 December 2023, the non-current part amounted to EUR 340 thousand of cash reserved for guarantees.
The current part of the financial assets as at 31 December 2024 consists of EUR 980 thousand of cash reserved for guarantees (EUR 2,879 thousand as at 31 December 2023 - receivable for penalties). As at 31 December 2024, the value of the Company's pledged current receivables was EUR 340 thousand.

As at 31 December 2023, the Company had no pledged current receivable amounts.

12 Trade receivables

EUR thousand	31 December 2024	31 December 2023
Receivables under contracts with customers		
Amounts receivable for electricity	2,019	863
Total	**2,019**	**863**
Less: loss allowance	-	-
Carrying amount	**2,019**	**863**

As at 31 December 2024 and 2023, the Company had not pledged any claim rights to trade receivables.

Trade receivables do not bear interest and have a normal settlement period of 30 days.

As at 31 December 2024 and 2023, receivables under the contracts with customers are not past due. For the measurement of expected credit losses using an individual assessment, no impairment losses were identified during the reporting period.

13 Cash and cash equivalents

EUR thousand	31 December 2024	31 December 2023
Cash balances in bank accounts	54	1,710
Carrying amount	**54**	**1,710**

14 Equity

14.1 Capital management

Management uses equity as reported in the statement of financial position for capital management purposes.

According to the Law on Companies of the Republic of Lithuania, the authorized capital of a closed joint stock company must be at least EUR 1 thousand. Equity must make at least 50% of the Company's authorised capital. As at 31 December 2024 and 2023, the Company complied with regulatory capital requirements.

14.2 Authorised capital

EUR thousand	31 December 2024	31 December 2023
Authorised capital		
Ordinary registered shares	253	250
Ordinary registered shares issued and fully paid	**253**	**250**

As at 31 December 2024, the Company's authorised capital amounted to EUR 253 thousand. In 2024, the authorised capital was increased to 8,740 ordinary registered shares at a nominal value of EUR 28.96 each.

14.3 Legal reserve

The legal reserve is a compulsory reserve under the Lithuanian legislation. Companies in Lithuania are required to transfer 5% of net profit from distributable profit until the total reserve reaches 10% of the issued capital. The legal reserve shall not be used for payment of dividends and is formed to cover future losses only.

As at 31 December 2024, the Company's legal reserve was fully formed, as at 31 December 2023, it was not formed.

14.4 Increase in authorised capital

On 4 June 2024, the Board of the ultimate parent company, which is the sole shareholder of the Company, adopted a decision, according to which: The Company will issue 100 new ordinary registered shares at the nominal value of EUR 28.96 each. The total price of the new emission was EUR 8,000 thousand, comprising the total nominal amount of the shares of EUR 3,000 thousand and the share premium of EUR 7,997 thousand. The shareholder paid the full emission price by offsetting it against the payable to the shareholder.

15 Loans and lease liabilities

EUR thousand	31 December 2024	31 December 2023
Received loans	48,634	-
Loan of the parent company	8,900	76,900
Lease liabilities	1,720	1,741
Total non-current part	**59,254**	**78,641**
Current part of non-current loans	7,898	254
Lease liabilities	56	56
Total current part	**7,954**	**310**
Total	**67,208**	**78,951**

Maturities of loans and lease liabilities:

EUR thousand	31 December 2024	31 December 2023
Within 1 year	7,954	310
From 1 to 2 years	6,520	65
From 2 to 5 years	25,994	76,918
After 5 years	26,740	1,658
Total	**67,208**	**78,951**

All the Company's loans and leases are denominated in Euros.

15.1 Performance of obligations and unused balances

The loan agreements provide for financial and non-financial covenants for the Company to comply with. As at 31 December 2024 and 2023, the Company fulfilled all the contractual obligations. In 2024, the loans are secured by pledging property, plant and equipment (Note 9), right-of-use assets (Note 10), deferred tax (Note 8) and current receivables (Note 11). At 31 December 2024, the loans were fully drawn down; as at 31 December 2023, an unused loan balance amounted to EUR 6,100 thousand.

16 Net debt

Net debt is a non-IFRS liquidity indicator that is used to determine the ratio of debt to highly liquid assets under management of the Company.
In implementing the risk management strategy, the management monitors the net debt ratio.

This note presents net debt, which is a non-IFRS measure for the purposes of these financial statements and is defined by management as follows.

Debt owed to the parent company and related interest payable and lease obligations are included in the calculation of net debt.

Net debt balances:

EUR thousand	31 December 2024	31 December 2023
Cash and cash equivalents	(54)	(1,710)
Non-current part	59,254	78,641
Current part	7,954	310
Net debt	**67,154**	**77,241**

Reconciliation of the Company's net debt balances to cash flows from finance activities:

	Assets	Lease liabilities		Loans		Total
EUR thousand	Cash	Non-current	Current	Non-current loans	Current loans	
Net debt as of 1 January 2023	**(639)**	**1,686**	**19**	**66,900**	**156**	**68,122**
Monetary changes						
Increase (decrease) in cash and cash equivalents	(1,071)	-	-	-	-	**(1,071)**
Received loans	-	-	-	10,000	-	**10,000**
Lease payment	-	-	(22)	-	-	**(22)**
Interest paid[1]	-	-	(46)	-	(2,925)	**(2,971)**
Non-cash changes						
Lease contracts concluded		37	4	-	-	**41**
Accrued payable interest	-	-	46	-	2,503	**2,549**
Reclassifications between items	-	(55)	55	-	-	**-**
Remeasurement of lease liabilities		73	-	-	-	**73**
Other non-monetary changes	-	-	-	-	520	**520**
Net debt as of 31 December 2023	**(1,710)**	**1,741**	**56**	**76,900**	**254**	**77,241**
Net debt as of 1 January 2024	**(1,710)**	**1,741**	**56**	**76,900**	**254**	**77,241**
Monetary changes						
Increase (decrease) in cash and cash equivalents	1,656	-	-	-	-	**1,656**
Received loans	-	-	-	59,680	8,000	**67,680**
Repaid loans	-	-	-	(64,000)	(6,140)	**(70,140)**
Lease payment	-	-	(21)	-	-	**(21)**
Interest paid[1]	-	-	(46)	-	(3,285)	**(3,331)**
Non-cash changes						
Accrued payable interest	-	-	46	103	2,860	**3,009**
Reclassifications between items	-	(21)	21	(6,140)	6,140	**-**
Costs capitalised on the loan	-	-	-	(1,009)	(149)	**(1,158)**
Decrease of loan through an increase in authorised capital	-	-	-	(8,000)	-	**(8,000)**
VAT on payable interest	-	-	-		218	**218**
Net debt as of 31 December 2024	**(54)**	**1,720**	**56**	**57,534**	**7,898**	**67,154**

[1]Interest paid during the period includes also VAT from the interest amount.

17 Provisions

EUR thousand	31 December 2023	31 December 2023
Non-current	2,583	1,583
Total	**2,583**	**1,583**

Movement of the Company's provisions:

EUR thousand	Provision for dismantling	Total
Balance as at 1 January 2023	**-**	**-**
Increase during the period	1,583	**1,583**
Discount effect	40	**40**
Used during the period	-	**-**
Balance as at 31 December 2023	**1,583**	**1,583**
Balance as at 1 January 2024	**1,583**	**1,583**
Result of change in assumptions	955	**955**
Discount effect	45	**45**
Used during the period	-	**-**
Balance as at 31 December 2024	**2,583**	**2,583**

In 2024, the Company recalculated the provision for future costs of the Company for dismantling wind turbines and increased the provision to EUR 2,583 thousand (see Note 4.2). In 2023, the Company recognised the provision of EUR 1,583 thousand as the right-of-use assets at acquisition cost.

18 Other current amounts payable and liabilities

EUR thousand	31 December 2024	31 December 2023
Taxes, other than income tax	609	100
Amounts payable for property, plant and equipment	640	3,705
Accrued expenses	16	147
Carrying amount	**1,265**	**3,952**

Financial liabilities amount to EUR 640 thousand (31 December 2023 – EUR 3,705 thousand). Accrued expenses and taxes, except for income tax, are not financial liabilities.

19 Contingent liabilities and commitments

19.1 Legal disputes

In 2024 and 2023, the Company was not involved in any legal proceedings that, in the opinion of management, would have a material effect on the financial statements.

20 Related-party transactions

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Related parties	Amounts receivables	Amounts payable	Received loans	Sales	Purchases	Finance income (expenses)
	31 December 2024	31 December 2024	31 December 2024	2024	2024	2024
Parent company	-	38	8,952	-	352	(1,030)
Parent company AB Ignitis Group	-	-	-	-	-	(4)
Other companies of the Group	2,019	3	-	15,272	1,898	-
State-controlled UAB EPSO-G group companies	-	1	-	-	15	-
Other related parties	-			-	1	-
Total	**2,019**	**42**	**8,952**	**15,272**	**2,266**	**(1,034)**

Related parties	Amounts receivables	Amounts payable	Received loans	Sales	Purchases	Finance income (expenses)
	31 December 2023	31 December 2023	31 December 2023	2023	2023	2023
Parent company	25	68	77,131	-	495	(2,469)
Parent company AB Ignitis Group	-	-	1	-	-	(12)
Other companies of the Group	863	14	-	8,156	915	-
State-controlled UAB EPSO-G group companies	-	-	-	(112)	1	-
Other related parties	-	-	-	-	-	-
Total	**888**	**82**	**77,132**	**8,044**	**1,411**	**(2,481)**

The Company purchases management services from the parent company, and from Group companies it purchases electricity balancing, regulation and other services related to the purchase of electricity, as well as services related to information technology and telecommunications, public procurement organization and execution, accounting and personnel administration services.

Also, in 2024 and 2023, the Company received a loan from the parent company (Note 15).

20.1 Terms of transactions with related parties

The payment terms set range from 15 to 90 days. The balances of receivables at the end of the year are not secured by pledges, no interest is calculated on them, and settlements are made in cash. No guarantees have been given or obtained to cover amounts receivable or payable from related parties.

20.2 Remuneration to key management personnel

EUR thousand	2024	2023
Wages and salaries and other current benefits to key management	1	1
Whereof:		
Current benefits	1	1
Number of key management personnel	1	1

Chief Executive Officer was considered to be the Company's key management personnel. For more information on the key management personnel, see section 'Governance Report' of the Annual Report.

21 Fair values of financial instruments

21.1 Financial instruments of which fair value is disclosed

The fair value of the Company's borrowings from Group companies is calculated by discounting the future cash flows at a rate of interest observable in the market. As at 31 December 2024, the cash flows were discounted using the weighted average discount rate of 3.55% (31 December 2023 – 6.42%). The measurement of debt-related financial liabilities is assigned to level 2 of the fair value hierarchy.

The table below presents the fair value hierarchy levels of the Company's financial instruments as at 31 December 2024:

EUR thousand	Note	Carrying amount	Level 1 Prices quoted in active markets	Level 2 Other directly or indirectly monitored data	Level 3 Not observed data	Total
Financial instruments for which fair value is disclosed						
Liabilities						
Parent company loan		**8,952**	-	7,923	-	**7,923**
Other loans received		**56,480**	-	40,702		**40,702**

The table below presents the fair value hierarchy levels of the Company's financial instruments as at 31 December 2023:

EUR thousand	Note	Carrying amount	Level 1 Prices quoted in active markets	Level 2 Other directly or indirectly monitored data	Level 3 Not observed data	Total
Financial instruments for which fair value is disclosed						
Liabilities						
Parent company loan		**77,154**	-	77,128	-	**77,128**
Other loans received		**-**	-	-		**-**

22 Risk Management

22.1 Overview

Risk is a natural and integral part of doing business, and the risk profile is constantly changing. The Company aims to reduce its risks and reduce them to an acceptable level by applying risk management. This section describes only the management of the main financial risks. The management of other risks is presented in the Management Report.

22.2 Financial risk factors

In managing its activities, the Company faces various financial risks: market risk (including foreign currency risk, cash flow interest rate risk), credit risk and liquidity risk. By managing these risks, the Company aims to reduce the influence of factors that may negatively affect financial performance.

22.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes two types of risk, interest rate risk and currency risk.

22.2.2 Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a position will fluctuate due to changes in foreign exchange rates.

The Company carried out purchase and sale transactions mainly in Euros. Accordingly, the risk of exchange rate fluctuations is insignificant.

22.2.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to fluctuations in market interest rates.

The Company has long-term loan agreements with the parent company, the European Investment Bank and the Nordic Investment Bank. The loan bears a fixed interest rate (Note 15). Since the interest rates are fixed, no sensitivity analysis to interest rate changes is provided.

The Company's income and cash flows from core activities are not significantly dependent on changes in market interest rates.

22.2.4 Credit risk

Credit risk is the risk that a counterparty will not fulfil its liabilities under a financial instrument or contract with a customer and will incur financial losses as a result.
The Company is exposed to concentrations of credit risk in its receivables, although substantially all of its receivables are from other Group company. The Company uses an individual assessment to measure expected credit losses and no impairment losses were identified during the period. As a result, the Company does not consider the risk associated with the concentration of receivables to be material.

As at 31 December 2024, the Company does not have a significant credit risk concentration related to other receivables.

The Company's priority objective in treasury management is to ensure the security of funds and, in line with this objective, to maximise investment returns. The counterparty credit risk is managed by entering into transactions for long-term foreign currency borrowings only with reputable financial institutions (or subsidiaries of such institutions) with a credit rating of at least A- by Fitch Ratings (or the equivalent of other international credit rating agencies).

The maximum credit risk is equal to the carrying amount of the financial asset.

EUR thousand	Note	31 December 2024	31 December 2023
Financial assets measured at amortised cost:			
Non-current receivables	13	5,066	340
Trade receivables	12	2,019	863
Other receivables	13	980	2,879
Cash and cash equivalents	14	54	1,710
Total		**8,119**	**5,792**

22.2.5 Liquidity risk

Liquidity risk is managed by planning the Company's future cash flows and ensuring that the Company always has sufficient funds, signed credit agreements and account surpluses to ensure the Company's normal operations. The risk of refinancing is managed by ensuring that financial debts due within a given period are covered by available cash, the Company's expected cash flow from operations during that period and the amount of unused credit facilities repayable in subsequent periods.

As at 31 December 2024, the Company's total liquidity ratio (current assets/current liabilities) was 0.36 (Note 22.2.6) (as at 31 December 2023 – 1.44, respectively).

The table below provides information on the Company's financial liabilities by groups:

EUR thousand	Note	31 December 2024	31 December 2023
Amounts payable measured at amortised cost			
Loans	15	65,432	77,154
Lease liabilities	15	1,776	1,797
Trade payables		263	215
Other current liabilities	18	640	3,705
Total		**68,111**	**82,871**

The table below contains information on the terms of repayment of the Company's financial liabilities according to the contracts (taking into account the non-discounted cash flows of financial liabilities for which interest is calculated, and the carrying amount of other financial liabilities):

EUR thousand	2024				
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	After 5 years	Total
Loans	2,426	7,741	39,555	28,438	**78,160**
Lease liabilities	-	65	261	3,560	**3,886**
Trade payables	263	-	-	-	**263**
Other payables	640	-	-	-	**640**
31 December 2024	**3,329**	**7,806**	**39,816**	**31,998**	**82,949**

EUR thousand	2023				
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	After 5 years	Total
Loans	559	1,640	84,466	-	**86,665**
Lease liabilities	46	19	261	3,626	**3,952**
Trade payables	215	-	-	-	**215**
Other payables	3,705	-	340	-	**4,045**
31 December 2023	**4,525**	**1,659**	**85,067**	**3,626**	**94,877**

22.2.6 Going concern

The Company’s financial statements are prepared on the basis of the going concern assumption. As at 31 December 2024, the Company’s current liabilities exceeded its current assets by EUR 6,088 thousand. Management of the Company is convinced that this circumstance will not have a significant impact on the continuity of the Company’s activities. The Company's operations are profitable and the Company expects to cover the difference between its current assets and current liabilities through positive cash flows from operating activities during 2025.

On 11 February 2025, the ultimate parent company submitted a letter of confirmation stating that it undertakes to continue to provide financial and other support to the Company for a period of at least twelve months from the receipt date of this letter to enable the Company to meet its obligations.

23 Events after the reporting period

There were no significant events after the reporting period until the issue date of these financial statements.

5.2 Additional Information

1 Material accounting policies

1.1 New standards, amendments and interpretations

1.1.1 Standards and their interpretations, announced and adopted by the European Union, effective for the current reporting period

The following are new standards and/or amendments to standards approved by the IASB and adopted for application in the European Union for the year ended 31 December 2024.

Standards or amendments that came into force during the year 2024
Classification of Liabilities as Current and Non-Current
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The adoption of these standards, revisions and interpretations had no material impact on the financial statements.

1.1.2 Standards issued but not yet enforced and not early adopted

The Company did not adopt new IFRS, issued IFRS, IAS and their amendments and interpretations, the effective date of which is later than 31 December 2024 and an early adoption of which is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Other standards

The following amended standards are not expected to have a significant impact on the Company's financial statements:

Other new standards and amendments	Date of entry into force of the IASB	Status of approval to apply in the EU
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01 January 2025	Endorsed
Contracts related to electricity from natural resources - Amendments to IFRS 9 and IFRS 7	01 January 2026	Not yet endorsed
Annual improvements, Volume 11	01 January 2026	Not yet endorsed
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026	Not yet endorsed
IFRS 19 Subsidiaries Without Public Accountability: Disclosures	01 January 2027	Not yet endorsed
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Not yet endorsed

1.2 Revenue from contracts with customers

The Company in the contracts with customers identifies performance obligations (stated either explicitly or implied) to transfer either distinct goods or services or series of distinct goods or services that are substantially the same and have the same pat-tern of transfer to the customer. Promised goods or services represent separate performance obligation if the goods or services are distinct. A promised good or service is considered distinct if both of the following criteria are met:

(i) customer can benefit from the good or service on its own or with other readily available resources; and
(ii) the good or service is separately identifiable from other promises in the contract (distinct within the context of the contract).

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. When recognising revenue, the Company takes into consideration terms of contracts signed with customers and all significant facts and circumstances, including the nature, amount, timing and uncertainty relating to cash flows arising from the contract with the customer.

1.2.1 Revenue from sale of produced electricity

The Company carries out the activity of electricity generation in wind power plants, which is subject to measures to promote the use of renewable energy resources, including a fixed tariff and the purchase of electricity generated and supplied into the grid, in accordance with the procedure and under the conditions laid down by law.

The Group trades all of its electricity purchases on the day-ahead electricity exchange Nord Pool. Trading on the exchange is carried out by a Group company. When a trade executed by a Group company is confirmed on the exchange, the exchange system sends the Company a confirmation of the concluded electricity sale transaction. Under this transaction, the Company fulfils its performance obligations by supplying the amount of electricity specified in the transaction notification to the electricity transmission grid. The performance obligations are fulfilled during the period in which the supply of the quantity of electricity to the grid takes place. The progress of the performance obligation is measured by the readings of the electricity metering devices. The Company has no contractual obligations.

Revenue from the sale of electricity is recognised at the end of each current month. The VAT invoices issued show the amount of electricity supplied into the electricity grid in the current month and the price of electricity per MWh. The weighted average price of electricity (i.e. the market price) calculated and declared to the Company by the Group company on the basis of the sale transactions of purchased electricity on the exchange during the previous month. The payment period is 30 days from the issue date of the VAT invoice. The seller's total remuneration amount is fixed. Once a confirmation of the conclusion of the electricity sale transaction has been received, the transaction prices do not change.

1.3 Property, plant and equipment

Property, plant and equipment is stated at acquisition (production) cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the directly proportional (straight-line) depreciation method over the entire useful life of the property, plant and equipment. Depreciation of the asset begins to be calculated when the asset is ready for use, i.e. when it is in place and in such condition that it can be used in the manner intended by management.

The acquisition cost includes the costs of replacing parts of property, plant and equipment when incurred, if these costs meet the asset recognition criteria. The carrying amount of the replaced part is derecognised. Repair costs are added to the Carrying amount of the asset if it is probable that the Company will receive economic benefits from these costs in the future and if they can be reliably estimated. All other repair and maintenance costs are recognized in the profit (loss) section of the statement of profit (loss) and other comprehensive income in the financial period in which they are incurred.

The residual values and useful lives of the assets are reviewed at least annually and adjusted, if necessary.

When an asset is written off or otherwise disposed of, its acquisition cost and related accumulated depreciation are no longer recorded in the financial statements, and the related profit or loss is recorded in the profit (loss) section of the statement of profit (loss) and other comprehensive income. Gains or losses on disposal of property, plant and equipment are determined as proceeds received on disposal less the carrying amount of assets disposed. After the sale of the revalued asset, the corresponding part of the revaluation reserve is transferred to retained profit.

Gains or losses on disposal of property, plant and equipment are determined as proceeds received on disposal less the carrying amount of assets disposed.

Depreciation periods (number of years):

Group of property, plant and equipment	Useful lives (number of years)
Wind power plants and their installations	30
Other property, plant and equipment	4

1.4 Right-of-use assets

Right-of-use assets are assets that represent the Company’s right to use the leased asset during the lease period. The Company recognizes right-of-use assets for all types of leases, including the lease of right-of-use assets in the case of sublease, except for leases of intangible assets, current leases and leases of low-value assets.

1.4.1 Initial measurement of the right-of-use assets

On the lease commencement date, the Company measures the right-of-use assets at cost. The cost of the right-of-use assets consists of: the amount of the initial valuation of the lease liability, any lease payments on or before the commencement date, less any lease incentives received; any initial direct costs incurred by the Company; and an estimate of the costs that the Company will incur in dismantling and removing the leased property, maintaining its location or restoring the leased property to such condition as required by the terms of the lease, unless those costs are incurred to produce inventory. The Company accepts the liability related to these costs on the start date or after using the leased property for a certain specified period. The Company recognizes these costs as part of the cost of the right-of-use asset when the liability for these costs is incurred.

1.4.2 Subsequent measurement of the right-of-use assets

Subsequent to initial recognition, the Company measures the right-of-use asset at cost. Under the cost model, the Company measures a right-of-use asset at cost less any depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

The right-of-use assets depreciated by the Company under the depreciation requirements of IAS 16 “Property, Plant and Equipment”.

Depreciation of right-of-use assets is calculated according to the directly proportional (straight-line) method:

Group of right-of-use assets	Depreciation period (in years)
Land	28 – 92
Other property, plant and equipment	31

If ownership of the leased asset is transferred to the Company before the end of the lease period or if the right-of-use asset indicates that the Company will exercise the option to purchase, the Company calculates the depreciation of the right-of-use asset from the start date to the end of the useful life of the leased asset. Otherwise, the Company calculates the depreciation of the right-of-use asset from the start date to the earlier of the following dates: the end of the useful life of the right-of-use asset or the end of the lease period.

The Company presents rights-of-use assets separately from property, plant and equipment in the statement of financial position.

1.4 Financial instruments

1.4.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised at an initial stage when the entity becomes a party to the terms of the contractual instrument.

A financial asset (other than a trade receivable that does not have a significant financing component) or a financial liability is initially measured at fair value increased or decreased by directly attributable transaction costs, when an object is not measured at fair value through profit or loss (FVOCI). The trade receivable that does not have a significant financing component is initially measured at the transaction price.

1.4.2 Classification and subsequent measurement

1.4.2.1 Financial assets - classification

On initial recognition, financial assets are classified for subsequent measurement as: at amortised cost; financial assets whose subsequent measurement at fair value is presented through the recognition of a change in value through other comprehensive income ('FVOCI'); or financial assets whose subsequent measurement at fair value is presented through the recognition of a change in value through profit or loss ('FVPL').

Financial assets are not reclassified after initial recognition unless the Company changes its business model for managing financial assets. In that case, all affected financial assets are reclassified on the first day of the first reporting period after the change in business model.

Financial assets are measured at amortised cost, if both of the following conditions are met and the asset is not measured at FVTPL:

- it is held within a business model that has as its objective the holding of assets to collect contractual cash flows;
- its contractual terms generate cash flows at specified dates that are solely payments of principal and interest on the outstanding principal balance.

All financial assets that are not measured at amortised cost or at FVTOCI as described above (e.g. held-for-trading financial assets and those managed and operated on a fair value basis) are measured at FVTPL.

1.4.2.2 Financial assets - subsequent measurement and profit or loss

Financial assets at FVPL	This asset is subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets measured at amortised cost	This asset is subsequently measured at amortised cost applying the effective interest method. Total assets are reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on the disposal of an asset is recognised in profit or loss.
Debt instruments at FVOCI	This asset is subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive results. When an asset is disposed of, the cumulative gains and losses are reclassified to profit or loss.
Capital investments at FVOCI	This asset is subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividends clearly represent the recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

1.4.2.3 Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities measured at amortised cost or FVPL A financial liability is measured at FVTPL if it is classified as held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities are measured at FVTPL and net gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost applying the effective interest method. Interest expense and foreign exchange gains or losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

1.4.3 Derecognition

A financial asset (or, where appropriate, part of a financial asset or part of a group of similar financial assets) is derecognised only when the contractual rights to the cash flows from the financial asset expire; the financial asset is transferred and the transfer may be derecognised

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the statement of profit or loss.

1.4.3.1 Impairment of financial assets – expected credit losses (hereinafter "ECL")

The Company recognised ECL for all debt instruments not at fair value through profit or loss. ECL incurred by the Company are calculated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For current trade receivables without a significant financing component, the Company applies a simplified approach required by IFRS 9 and measures the loss allowance at expected lifetime credit losses from initial recognition of the receivables.

To measure the impairment of trade receivables, management applies an individual assessment of expected credit losses. Management's decision to perform an individual assessment is based on the availability of information about the credit history and financial position of the individual debtor at the measurement date, including forward-looking information that would enable timely identification of a significant increase in the credit risk of the individual debtor, thereby enabling a decision to be made on the recognition of a full lifetime credit loss for the individual debtor.

1.4.3.2 Credit-impaired financial assets

Fair values of receivables from contracts with customers and other amounts receivable approximate their carrying amounts. Trade receivables are non-interest bearing and generally are collectable in 30 days. Impairment allowance for receivables - expected credit losses are recognised for receivables the credit risk of which, assessed individually and considering all valid and approved information, including forward-looking information, has significantly increased compared to initial recognition. When performing individual assessment of lifetime credit losses, credit risk is assessed when the following indications exist: significant financial difficulty of the customer; probability that the customer will enter bankruptcy; significant delay in payments.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits with banks and other current highly liquid investments with an original maturity of no more than three months.

For the Statement of Cash Flows purposes, cash and cash equivalents include cash, demand deposits with banks and other current highly liquid investments with an original maturity of no more than three months.

The requirement set out in Article 25 of the Republic of Lithuania Law on Electronic Money and Electronic Money Institutions, and the requirement set out in Article 17 of the Republic of Lithuania Law on Payment Institutions for safeguarding of funds of payment service users received from another payment service provider have been implemented by segregating the funds of the Company and the users of the payment services provided by the Company. The Company implements this method of safeguarding the customers' funds by opening separate collection accounts with credit institutions to hold the funds of the Company's payment service users. For more information, refer to section *Critical accounting estimates and judgements*, used in the preparation of the financial statements.

1.6 Lease liabilities

At the commencement date of the lease the parent company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments, less any lease incentives receivable; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the lessee under Carrying amount guarantees; the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the parent company exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the parent company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. Subsequent to initial recognition, the parent company measures the lease liability by: increasing the residual value to reflect the interest payable on the lease liability; and decreasing the residual value to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.6.1.1 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Also, low-value asset lease recognition exemption to office equipment that are considered to be low value is applied. Lease related discounts are charged to the lease income proportionally over the term of the lease.

1.7 Employee benefits

1.7.1 State plans

The Company participates only in the State plans. State plans are established by legislation covering all entities and are managed by national or local government or another body (for example, in the case of the Group, the National Social Insurance Fund). State plans are a defined contribution plan, under which the Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. The social security contributions are recognised as expenses on an accrual basis and are included in payroll expenses.

1.7.2 Termination benefits

Normally, severance payments are paid to employees upon termination of employment before the employee's normal retirement date or upon the employee's decision to leave voluntarily in exchange for such payments. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Non-current benefits are recognised at present value using the market rate of interest.

1.7.3 Non-current employee benefits

Each employee of retirement age who terminates his/her employment with the Company upon retirement is entitled to receive a payment

equal to 2 monthly salaries as prescribed by Lithuanian laws and the Collective Agreement. If the worker belongs to a trade union, he or she is also entitled to an additional length-of-service allowance in accordance with the collective agreement. The liability for employee benefits is recognised in the statement of financial position and reflects the present value of those benefits earned at the date of the statement of financial position. The described long-term employee benefit obligation is estimated at the reporting date with reference to actuarial valuations using the projected relative unit method. The present value of the defined non-current liability is determined by discounting the estimated future cash flows using the effective interest rates as set for government bonds denominated in a currency in which the benefits will be paid to employees and that have maturity term similar to that of the related liability.

1.8 Fair value

Fair value is defined in IFRSs as the price that would be received to sell an asset or paid to transfer a liability to market participants in an orderly manner at the measurement date of the transaction.

The Company has no financial instruments and non-financial assets that are measured at fair value. The determination of fair value is based on the assumption that the sale of assets or the transfer of liabilities takes place or:
- either in the main market for the asset or liability

or
- if there is no main market, in the most favourable market for the asset or liability.

The fair value of the asset or liability is determined using the assumptions that market participants would use to determine the price of the asset or liability, assuming that market participants have their best economic interests.

The Company uses valuation methodologies that are appropriate in the circumstances and for which sufficient data are available to determine fair value, using as much relevant observable data as possible and as little unobservable data as possible.

All assets and liabilities whose fair value is determined or disclosed in the financial statements are classified according to the fair value hierarchy described below, which is based on the lowest-level significant inputs used to determine fair value:
- Level 1 includes the fair value of the asset units, which is determined based on the quoted (unadjusted) prices of identical assets in active markets.
- Level 2 includes the fair value of the asset units, which is determined on the basis of other directly or indirectly observable indicators.
- Level 3 includes the fair value of the asset units determined on the basis of unobservable indicators.

Assets and liabilities that are recognized repeatedly in the financial statements, the Company, by reassessing the distribution, decides whether the transferred amounts occurred between the levels of the hierarchy (according to the lowest level data that are significant in determining the fair value in general) at the end of each reporting period.

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Independent Auditor's Report

To the Shareholder of UAB VVP Investment

Opinion

We have audited the financial statements of UAB VVP Investment ("the Company"). The Company's financial statements comprise:

- the statement of financial position as at 31 December 2024.
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's management report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

n preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of KPMG Baltics, UAB

EDVINAS ŽUKAUSKAS
Digitally signed by EDVINAS ŽUKAUSKAS
Date: 2025.02.26 16:02:35 +02'00'

Edvinas Žukauskas
Partner pp
Certified Auditor

Vilnius, the Republic of Lithuania
26 February 2025

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 43 to 45 of this document.

5.4 Information about the auditor

Overview

At the Company's shareholders' meeting, held on 17 April 2023, KPMG Baltics, UAB ("KPMG") was re-appointed to audit the Company's financial statements for the period 2023-2027. Under the previous contract, KPMG also audited the Company's accounts for 2021 and 2022.

It is worth noting that all tenders for the independent auditor are carried out in accordance with best practices. Additionally, as public procurement law requirements are applicable to the parent company, all audit tenders are carried out in accordance to them. The main criterion for the implementation of public tenders is to ensure competitiveness, so the only specific audit selection criterion that can be included is experience in auditing companies in the energy sector. Finally, the Audit Committee oversees the entire audit selection process and the independent auditor is appointed by a decision of the parent company's General Meeting of Shareholders, and subsequently by a decision of the General Meeting of Shareholders of each group company..

Independent auditors and financial period during which audit services were provided

2021 - 2024
KPMG Baltics, UAB Lvivo str. 101 LT-08104 Vilnius, Lithuania

Services and fees

During 2023–2024, the following services have been provided to the Company by the independent auditor and its international partners.

Independent auditor's services and fees

EUR thousand	2024	2023
Audit of annual financial statements under contracts	11	11
Total	**11**	**11**

In accordance with the Group's policy, our statutory auditor's annual fee for non-audit services cannot exceed the annual fee for statutory audit services calculated at Group level. The cap may be exceeded subject to approval by the Audit Committee of the parent company.

6 Other important statutory information

This Annual Report comprises the annual management report and the financial statements, which provide information to the shareholders, creditors and other stakeholders of UAB VVP Investment (the "Company") on the Company's activities for the period from January to December 2024. The composition of this document corresponds to the composition of the set of annual financial statements as provided for in Article 6 of the Law on Reporting by Enterprises and Groups of Enterprises of the Republic of Lithuania.

The annual report was prepared by the Company's administration in accordance with the requirements of the Law on Financial Reporting of Undertakings of the Republic of Lithuania, the Law on Companies of the Republic of Lithuania, the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania, and taking into account the description of the guidelines for ensuring the transparency of the activities of state-owned companies. The Company's securities are not listed and are not traded on a regulated market. The Company's Articles of Association do not provide more requirements for the content of the Company's annual report than is provided for in the above-mentioned laws.

The Company's management is responsible for the information presented in the annual report. The notification and the documents with which it was prepared can be viewed (by prior arrangement) on working days from Monday to Thursday 7:30 a.m. to 4:30 p.m., Fridays from 7:30 a.m. to 3:15 p.m. at the Company's headquarters (Laisvės pr 10, Vilnius).

Information about the Company

1. Name of the company: UAB VVP Investment
2. Legal form of the Company: Limited Liability Company
3. Authorised capital: EUR 253,110.40
4. Date and place of registration: 30 August 2011, Debreceno str. 58 A-29, LT-93279, Klaipėda
5. Company code: 302661590
6. Company address: Laisvės pr. 10, LT-04215
7. Company register: Laisvės pr. 10, LT-04215
8. Phone number: +370 696 38942
9. Fax number: none
10. E-mail address: info@vvpinvestment.lt
11. Website page: www.ignitisgrupe.lt

Legal notes

1. No significant events occurred after the end of the financial year.
2. The Company did not use any financial and hedging instruments subject to the accounting of hedging transactions, which would be important in evaluating the Company's assets, equity, liabilities, financial condition and performance.
3. The Company did not have its own shares at the beginning of the reporting period and did not acquire its own shares during the reporting period.
4. The Company has no branches or representative offices.
5. The company envisages further sustainable development of existing operations in order to ensure higher profitability of operations and efficiency of asset utilization in the long term. Research will be conducted as needed.
6. The Company's activities meet the requirements set out in the legal acts regulating environmental protection.

Significant transactions

There were no significant agreements, to which the Company is a party and which would enter into force, change or terminate upon a change of control of the Company.

During the reporting period, the Company did not engage in any harmful transactions (inconsistent with the objectives of the parent company, existing normal market conditions, violating the interests of shareholders or other groups of persons, etc.), that had or may in the future have a negative impact on the Company's activities and/or performance, as well as it did not enter into transactions concluded in the event of a conflict of interest between the Company's managers, controlling shareholders or other related parties' duties to the Company and their private interests and/or other duties.

There were no agreements between the Company and members of its bodies or employees providing for compensation in the event that they resign or are dismissed without a valid reason or in the event that their employment ends due to a change in control of the Company.

Main features of internal control and risk management systems related to the preparation of financial statements

The Company's financial statements are prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the EU. All financial data presented in the annual report are calculated in accordance with IFRS and correspond to the Company's audited financial statements.

The employees of the company providing accounting services to the Company ensure that the financial statements are properly prepared, ensure that the data is collected on time and correctly. The preparation of the Company's financial statements, internal control and financial risk management systems, legal acts regulating the preparation of financial statements are controlled and managed.

Alternative performance measures

Alternative performance measures (hereinafter – “APM”) are the adjusted figures presented in this report used for the internal evaluation of performance management. These measures are not defined by International Financial Reporting Standards (IFRS) and do not meet IFRS requirements. Definitions of alternative performance measures are provided on the website of AB Ignitis Group.

Language note

In the event of discrepancies between the Lithuanian and English versions of the documents, the English version shall be considered the main version.

7 Abbreviations

#	Number
%	Per cent
‘000 / thousand	Thousand
LTM	Period of the preceding twelve months
AB	Joint stock company
RE	Renewable energy
Company	Name of the company issuing the annual report
Ignitis Group	The group of companies AB Ignitis Group
Parent company	UAB Ignitis renewables
Ultimate parent company	AB Ignitis Group

8 Certification Statement

26 February 2025

We, Virginijus Jagela, Director of UAB VVP investment, and Indrė Budrevičienė, UAB Ignitis grupės paslaugų centras, Accounting expert, acting under Resolution No 24_GSC_SP_0051 of 30 September 2024, hereby confirm that, to the best of our knowledge, the financial statements of UAB VVP investment for 2024, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial condition, profit or loss and cash flows of UAB VVP investment, and the Annual Report for 2024 includes a fair review of the development and performance of the business as well as the condition of UAB VVP investment together with the description of the main risks and uncertainties it faces.

Virginijus Jagela	Indrė Budrevičienė
Director	UAB Ignitis grupės paslaugų centras, Accounting expert, acting under Order No 24_GSC_SP_0051 of 30 September 2024

UAB VVP Investment
Laisvės pr. 10, LT-04215, Vilnius, Lithuania

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windenergy@ignitis.lt
www.ignitisgrupe.lt

Legal entity code 302661590
VAT payer code LT100007781113